

IRS News Release

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Purchasers of Honda Hybrids Still Qualify for Tax Credit

IR-2006-126, August 14, 2006

WASHINGTON — The Internal Revenue Service announced that purchasers of qualified American Honda Motor Corp., Inc., vehicles may continue to claim the Alternative Motor Vehicle Credit. The announcement comes after the IRS concluded its second quarterly review of the number of hybrid vehicles sold.

Honda sold 9,424 qualifying vehicles to retail dealers during the quarter ending June 30, 2006. The credit amount and make and model of qualified vehicles sold are:

- Honda Insight, Model Year 2006 — \$1,450
- Honda Civic Hybrid, Model Year 2006 — \$2,100
- Honda Accord Hybrid, Model Year 2006 — \$1,300 *
- Honda Accord Hybrid Navi, Model Year 2006 — \$1,300 *

*2006 Honda Accord Hybrid and Navi without updated calibration qualify for a credit of \$650.

This brings the total number of qualifying Honda hybrids reported to date to 18,496. Purchasers of Honda's qualified vehicles may continue to rely on the previously issued IRS certifications concerning the vehicles' qualification for the credit. However, those seeking the credit may want to buy early because the full credit is only available for a limited time.

Taxpayers may claim the full amount of the allowable credit up to the end of the first calendar quarter after the quarter in which the manufacturer records its sale of the 60,000th vehicle. For the second and third calendar quarters after the quarter in which the 60,000th vehicle is sold, taxpayers may claim 50 percent of the credit. For the fourth and fifth calendar quarters, taxpayers may claim 25 percent of the credit. No credit is allowed after the fifth quarter.

More information on hybrid vehicles and other alternative motor vehicles can be found on the IRS's web site at www.irs.gov.